

The complaint

Mr C complains that Barclays Bank UK PLC has not fairly compensated him for the stress the bank caused when investigating his romance scam claim.

What happened

The detailed background to this complaint is well known to both parties and was outlined in the provisional decision I issued on 23 November 2022.

In summary, Mr C made a connection with a person I'll refer to as N. They first met at a party and things developed from there. Mr C explains that he thought N was his girlfriend and that they were in a genuine relationship, but now believes that she played on his vulnerabilities and good nature to manipulate him. Mr C paid N almost £85,000 from his Barclays account.

Our Investigator undertook significant investigation into the situation, including speaking to the investigating Detective who had interviewed both N and Mr C. She was satisfied that the situation was, on balance, a romance scam and suggested the complaint should be upheld. She concluded that Mr C's autism made him vulnerable to this type of scam and his personal circumstances meant it would not have been reasonable to expect him to have protected himself from becoming a victim.

To put things right, she recommended that Barclays should refund the money that had been lost along with interest and pay £150 compensation to acknowledge the bank had handled the claim poorly by missing deadlines and using inexact wording in its correspondence.

Barclays agreed. But Mr C did not think the compensation to acknowledge the distress and inconvenience the bank had caused him went far enough. He said that Barclays had not appreciated how its actions had impacted him financially, physically, emotionally and mentally. He felt the bank had mislabelled and incorrectly logged the claim to deny reimbursement on false grounds and had been dismissive the whole way through the process. He said the matter had not been handled correctly by the bank from the very beginning which caused this ordeal to needlessly drag on for well over a year and counting. He explained the bank had caused sustained distress and inconvenience with its repeated administrative failings and pointed out that the bank had never given him a formal answer.

Mr C explained that he'd been unable to continue with his life plans. He'd wanted to buy his mum's house but was unable to without this money. He explained that he'd had to move away from his family and support structure and was now paying rent to live somewhere he does not want to be. He said that Barclays should take responsibility because it could have contacted the detective to understand the situation, but it did not.

I considered the matter afresh. An extract from my provisional decision that explains the reasons why I thought the compensation our Investigator had recommended for distress and inconvenience did not go far enough is included below:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

There is no question that Mr C has had a very difficult time in recent years. Discovering that he has been deceived by a person he thought he was building a life and a future with is obviously an incredibly upsetting experience. Mr C has described feeling crushed and very depressed. It's difficult to read Mr C's letters where he sets out how he considers Barclays has failed and what the impact of those failings have been on his day to day life. He's described his life as being on hold and considers that his quality of life now is as direct result of his claim being mis-logged and mis-labelled. He's been clear that he is not blaming Barclays for being a victim of fraud, rather, it is how the bank has acted after the fact. He says that the bank "dragged this ordeal on for over a year for no good reason and compounded my suffering when there was no need in the first place."

Whilst I acknowledge that Mr C considers Barclays to have been intentionally obstructive, I have not seen any evidence of any deliberate malice on the bank's part. This is not to take away from the fact that there was clearly a lack of care in the way Mr C's claim and then associated complaints were handled. The bank's internal notes refer to a backlog and having a high volume of claims to consider is a challenge that many financial businesses face. But here I think it ought to have been evident to the bank that Mr C was struggling with the situation. The bank's notes show that Mr C had spoken to operatives a number of times to ensure that his case fell under the remit of a scam and that he'd explained that his other bank had logged the matter as a romance scam. I think Barclays ought to have recognised Mr C's wider circumstances and prioritised giving an answer on his claim. Mr C's anxiety made waiting many months for any substantive news about such a large sum of money particularly difficult. It took approximately three months to assess the claim, which was unfair on Mr C who was not in a position to wait this long.

Mr C received a very short letter declining his claim. It said little more than the funds were a subject of a dispute between Mr C and the seller of the goods/services. It's understandable that Mr C was concerned about whether Barclays had looked at his claim or not as the letter made no explicit reference to a romance scam at all. Mr C has not been able to move past this letter. He considers that if the situation had been correctly investigated as a romance scam at that point, he would have been refunded his money. I think this letter was very clumsily worded. It was not specific enough to the wider circumstances. Barclays told this service that it considered the matter to be a civil dispute because Mr C knew the person he was sending the money to, but it never explained this to Mr C at any point so he never had the opportunity to reply to that. The bank never gave Mr C any substantive written response to his complaints. No matter what its position, Barclays should have explained things clearly. This misinformation has had a lasting impact on Mr C.

But I don't consider the underlying situation was as clear cut as Mr C does. I can see why, on the face of it, Barclays had concerns about whether N was intentionally acting fraudulently and deliberately setting out to scam Mr C given that they knew each other and had met in person. Mr C has always been very clear his position is that N fabricated the premise of the relationship in order to obtain money from him. But there is a high legal threshold and burden of proof for fraud and I'm mindful that our Investigator's dialogue with the police has been an invaluable aid to understanding the wider situation here. It is inherently difficult for a bank to determine in isolation whether Mr C was deceived into a false relationship which was only for the purposes of taking money from him or whether it was a genuine relationship that had broken down. For this reason, I can't agree with Mr C that Barclays should have always offered to refund the money right from the outset or that the bank should have to pay the losses that Mr C feels flow from this, such as the rent.

I think there was more investigation that the bank needed to do in order to better understand the situation and before it could make a determination on whether it considered this matter to be a civil dispute or a scam. I accept Mr C's point that he'd given the bank the contact details

for the police as well as giving his permission for the bank to speak to the police. It's disappointing that the depth of the bank's investigation into the claim did not extend to trying to speak with the police. But I cannot change Barclays' internal processes and procedures. What I can do is to highlight the impact that its approach had on a vulnerable adult at what was already a very difficult time in his life.

Barclays has now agreed to refund the money Mr C lost in full along with 8% simple interest on those funds from the date each payment was made until the date of settlement. There is no question that it took a very long time for the bank to reach that point. Sometimes complex claims and complaints do take some time to work through and there is a lot of money involved in the dispute here. But there was a real lack of compassion and understanding by the bank in the way that it handled the initial claim and no urgency displayed when there was no doubt that the bank was fully aware of Mr C's wider personal circumstances.

Mr C has described experiencing sustained distress and upheaval as a result of all that has happened. I do not doubt this. He's shared with us that he's suffering with stress, his anxiety has gotten worse, he's found it difficult to sleep and that he's started to experience migraines. The negative impact on Mr C's health led him to think about ending his own life. It's clear that this situation and its aftermath has had life changing consequences for Mr C.

I'm mindful that there will be a lot of distress and inconvenience that stems directly from N's actions, as she was the direct cause of Mr C's losses. I can't fairly hold Barclays responsible for that. I'm also not a regulator and I have no power to fine or punish Barclays for its conduct. But there is no doubt in my mind that Barclays' actions at an already difficult time amplified the impact of the loss of the money and made a bad situation worse.

Taking everything into account, and thinking about the share of the impact reasonably attributable to Barclays here, I currently consider that £750 is a fair and reasonable way for the bank to recognise that its actions have caused Mr C to suffer distress and inconvenience that could have been avoided.

Barclays responded to say that it accepted my provisional decision. Mr C didn't agree that the compensation I'd recommended awarding went far enough. In the interim, Barclays paid Mr C the money that had been lost to the scam along with interest.

Mr C wrote to me and explained he could only talk from personal experience. In summary, he felt Barclays were intentionally obstructive right from the start and that his claim had been handled negligently. He said that he felt stonewalled by the bank and that he didn't receive a good service from Barclays at any point in the process. He said the bank did not investigate the matter properly and did not speak to the police and that this was intentional obstruction of process on Barclays' part. He listed the errors Barclays had made in his case.

Mr C said Barclays had failed him systematically. He said the customer service agent who he spoke to initially should not be making decisions about what is and is not fraud without investigating. He said false information had been input on his claim, causing the fraud to be reported as something else entirely which directly negatively impacted how his case was investigated. He concluded by saying his case had been denied on false grounds because of Barclays' staff members acting in bad faith and without integrity.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

First, I'm very aware that I've summarised what Mr C has said in response to my provisional

decision in far less detail than what was in his letter and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is a fair outcome, but I am grateful to Mr C for explaining how Barclays' handling of the matter has affected him personally, emotionally and financially.

I've thought very carefully about everything Mr C has said and described about how this experience has been for him. There's no doubt that Mr C has been through a very stressful and upsetting time and that the way Barclays handled this matter has compounded those difficulties. But I think this situation was clear before I made my provisional decision, so what Mr C has said more recently hasn't changed my opinion. I still consider that £750 compensation is a fair and reasonable way for the bank to recognise that it has fallen short, for much the same reasons as I have already set out in my provisional decision (which is summarised above and forms part of this final decision).

Assessing compensation for non-financial losses like distress, inconvenience, and pain and suffering isn't an exact science. There's no set award or formula to decide the level of compensation which would be appropriate. To work out what would be fair compensation in the individual circumstances of this complaint, I have thought about the impact Barclays' actions or omissions have had on Mr C. When doing so, I have taken into consideration that Mr C was vulnerable and the impact on him was greater than it might have been on others in similar circumstances.

In this situation, it's not easy to address the emotional and practical impact specifically of Barclays' mistakes in financial terms. At the time I reached my provisional decision, there was no doubt in my mind that Barclays should have handled this situation with more care. If Barclays had acted as I think it should have done, I agree the impact on Mr C would have been lessened. It's not in dispute that Mr C didn't receive the level of customer service he's right to expect. This is something that Barclays does not dispute because it has agreed to pay the compensation I have suggested without hesitation. But the Financial Ombudsman Service isn't intended to regulate or fine businesses for their conduct – that's the role of the Financial Conduct Authority. This means that I'm not able to punish Barclays for the way that it treated Mr C and I am not able to change its internal processes and procedures.

I know Mr C is going to be disappointed by this conclusion. It remains clear to me that the impact of Barclays' actions is greater than a minor inconvenience or upset. They will have had a negative impact on Mr C at a time when he was already hit very hard. But looking at everything that happened, I still think £750 is fair and reasonable compensation to recognise the impact Barclays' actions had.

My final decision

My final decision is that Barclays Bank UK PLC should pay Mr C £750 compensation to recognise the distress and inconvenience it has caused him in order to conclude this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 9 January 2023.

Claire Marsh
Ombudsman